

## Message Text

CONFIDENTIAL

PAGE 01 STATE 088962  
ORIGIN ERDA-07

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 FEA-01 AID-05  
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01  
INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04  
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01  
PRS-01 NSCE-00 SSO-00 USIE-00 INRE-00 /118 R

DRAFTED BY USERDA:AIA:RNSLAWSON:IN  
APPROVED BY OES/NET:DHOYLE  
USERDA:AIA:NFSIEVERING  
T: TSYNE  
D:DLAMB  
S - MR. SEBASTIAN

-----210212Z 033151 /73

O 202056Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY LONDON IMMEDIATE  
AMEMBASSY BONN IMMEDIATE  
AMEMBASSY PARIS IMMEDIATE  
AMEMBASSY TOKYO IMMEDIATE  
USMISSION IAEA VIENNA IMMEDIATE  
USMISSION EC BRUSSELS IMMEDIATE  
AMEMBASSY OTTAWA IMMEDIATE  
AMEMBASSY CANBERRA IMMEDIATE

C O N F I D E N T I A L STATE 088962

E.O. 11652:GDS

TAGS: TECH

SUBJECT: KEY NUCLEAR ASPECTS OF NATIONAL ENERGY POLICY

1. EMBASSIES ARE REQUESTED TO BRIEF NUCLEAR POLICY  
OFFICIALS ON THE KEY NUCLEAR ASPECTS OF THE NATIONAL  
ENERGY POLICY TO BE ANNOUNCED BY THE PRESIDENT ON  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 088962

APRIL 20. INFORMATION SHOULD BE PROVIDED WITH THE  
UNDERSTANDING THAT IT WILL NOT BE USED PUBLICLY PRIOR TO  
THE DELIVERY OF THE PRESIDENT'S POLICY MESSAGE.

2. KEY ELEMENTS ARE AS FOLLOWS:

A. ENRICHMENT SUPPLIES

IN ORDER TO RESTORE CONFIDENCE IN THE US ABILITY AND WILLINGNESS TO SUPPLY ENRICHED URANIUM SERVICES TO REDUCE PRESSURE ON OTHER COUNTRIES TO BUILD THEIR OWN ENRICHMENT AND REPROCESSING FACILITIES, AS WELL AS TO MEET DOMESTIC NEEDS, THE US IS TAKING THE FOLLOWING STEPS:

(1) EXPANSION OF ITS ENRICHMENT CAPACITY BY CONSTRUCTION OF A LARGE PRODUCTION PLANT USING THE ENERGY-CONSERVING AND MORE OPERATIONALLY FLEXIBLE GAS CENTRIFUGE TECHNOLOGY. THIS PLANT WILL BE IN LIEU OF A PLANT UTILIZING GASEOUS DIFFUSION TECHNOLOGY CONTEMPLATED EARLIER (REFERRED TO AS THE PORTSMOUTH ADD-ON PLANT). CENTRIFUGE TECHNOLOGY REQUIRES LESS THAN 10% OF THE ELECTRIC POWER NEEDED BY A GASEOUS DIFFUSION PLANT OF EQUIVALENT CAPACITY, AND WILL ELIMINATE THE NEED TO CONSTRUCT OVER 3000 MW OF ELECTRIC GENERATING CAPACITY. FUNDS FOR THIS PLANT ARE ALREADY IN THE PROPOSED FISCAL 1978 BUDGET.

(2) REOPENING THE ORDER BOOKS FOR ENRICHED URANIUM SERVICES.

(3) THE PRESIDENT IS PREPARING LEGISLATION TO GUARANTEE THE SALE OF ENRICHMENT SERVICES TO ANY COUNTRY WHICH AGREES TO COMPLY WITH THE NECESSARY SAFEGUARDS.

(4) CONSIDER RELIEF - ON A CASE-BY-CASE BASIS AND WITH APPROPRIATE CHARGES - IN THOSE INSTANCES WHERE A USER IS FACING THE MOST SEVERE CONSEQUENCES FROM EXISTING CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 088962

URANIUM ENRICHMENT CONTRACTUAL OBLIGATIONS BECAUSE OF SLIPPAGES IN REACTOR SCHEDULES, OR OTHER SUBSTANTIAL REASONS.

#### B. REACTOR DEVELOPMENT ACTIVITIES

A NEW REACTOR DEVELOPMENT STRATEGY BASED ON DEFERRING ACTION TO COMMERCIALIZE BREEDER CONCEPTS IS BEING UNDERTAKEN, WHILE EMPHASIZING THE ASSESSMENT AND DEVELOPMENT OF ALTERNATIVE TECHNOLOGIES. KEY ELEMENTS OF THE STRATEGY ARE:

(1) RESTRUCTURE THE BREEDER DEVELOPMENT PROGRAM AS FOLLOWS:

(A) CONSTRUCTION OF THE CLINCH RIVER LIQUID METAL FAST BREEDER REACTOR (CRBR) WILL BE INDEFINITELY DEFERRED BUT THE PRELIMINARY DESIGN WILL BE COMPLETED. THE US WILL ACTIVELY PURSUE RESEARCH ON OTHER BREEDER REACTORS CONCEPTS

THAT COULD BE DEVELOPED FOR COMMERCIAL USE WITH FAR LESS  
DANGER OF NUCLEAR WEAPONS PROLIFERATION.

(2) INVESTIGATION OF ALTERNATIVE FUEL CYCLES FOR CONVERTER  
REACTORS

(3) SAFETY

(A) AN AGGRESSIVE PROGRAM ADDRESSING SAFETY CONCERNS OF  
BREEDER CONCEPTS WILL BE EXPANDED TO COVER THE URANIUM-  
THORIUM FUELED BREEDER AND ADVANCED CONVERTER. FACILITY  
DESIGNS WILL BE REEVALUATED TO ASSURE THAT FLEXIBILITY  
IS PROVIDED TO TEST ALTERNATE FUELS.

(4) LWR TECHNOLOGY

ERDA WILL AUGMENT ITS LWR TECHNOLOGY PROGRAM IN ORDER TO  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 088962

HELP IMPROVE BOTH PLANT AND FUEL PRODUCTIVITY FOR  
EXISTING AND FUTURE LWR PLANTS. THIS WORK WILL BE AIMED  
AT MAKING REACTORS MORE EFFICIENT AND COST EFFECTIVE  
WHICH WILL RESULT IN DISPLACEMENT OF SIGNIFICANT  
QUANTITIES OF LIQUIDS AND GASEOUS FUELS FOR ELECTRIC  
POWER GENERATION.

(5) THE HIGH TEMPERATURE GAS REACTOR (HTGR) FUEL  
RECYCLE PROGRAM FUNDING WILL NOT BE CHANGED,BUT THE  
PROGRAM WILL BE REDIRECTED TO REFLECT THE POSSIBLE  
USE OF LOW ENRICHMENT URANIUM TO MINIMIZE THE  
PROLIFERATION POTENTIAL.

FOR PARIS: EXPECT FRENCH WILL BE PARTICULARLY  
INTERESTED IN DECISION TO PROCEED WITH CENTRIFUGE  
INSTEAD OF GASEOUS DIFFUSION METHOD FOR ADDITIONAL  
ENRICHMENT CAPACITY. AS EMBASSY AWARE,  
TALKS WITH GIRAUD HAVE BEEN POSTPONED ON POSSIBLE  
CROSS-INVESTMENT AND COST-SHARING ARRANGEMENTS IN  
ENRICHMENT FIELD PENDING US DECISION ON NEXT US  
ENRICHMENT INCREMENT. EFFECT OF PROCEEDING WITH  
CENTRIFUGE ON FUTURE DISCUSSION NOT CLEAR AT THIS  
TIME. US POSITION WILL BE TRANSMITTED SOONEST.  
VANCE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, NUCLEAR ENERGY  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 20-Apr-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE088962  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** AIA:RNSLAWSON:IN  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770138-0063  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770437/aaaabfpg.tel  
**Line Count:** 163  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 7f09b1a1-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN ERDA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 21-Oct-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2745899  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KEY NUCLEAR ASPECTS OF NATIONAL ENERGY POLICY  
**TAGS:** TECH, UK  
**To:** LONDON BONN MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/7f09b1a1-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009